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IN THE

# Supreme Court of the United States

**OCTOBER TERM, 1974**

**No. 74-1200**

RICHARD J. DUFFY,

*Petitioner,*

v.

GERALD BARNES, *et al.*,

*Respondents.*

## BRIEF OF RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

HARRY C. JONES, III
*Counsel for Respondents*
330 Madison Avenue
New York, New York 10017

*Of Counsel:*

JAMES G. FOLEY
PENNIE & EDMONDS
330 Madison Avenue
New York, New York 10017

RICHARD A. CRAIG
AMERACE CORPORATION
245 Park Avenue
New York, New York 10017

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v.

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## BRIEF OF RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

### Opinions Below

The opinions below appear at pages A-1 through A-59 of the Appendix to the Petition.

### Jurisdiction

The jurisdictional requisites are adequately set forth in the Petition.

### Questions Presented

The statement of questions presented by the Petition hardly reflects the single possible issue that could be presented by the decision of the Third Circuit Court. That issue is:

Whether the ancillary jurisdiction (35 U.S.C. § 24) conferred by Congress upon the district courts is limited in patent interference cases to the issuance of subpoenas as permitted by prior practice and as held by the court below or whether 35 U.S.C. § 24 grants broad discovery authorization to the district courts in such patent cases.

## Statutory Provision Involved

The statutory provision involved is 35 U.S.C. § 24 and is set forth at page 4 of the Petition.

## Statement of the Case

The facts as set out in the Petition are basically correct. However, it is to be noted that discovery was initiated in the district court by subpoenas *duces tecum,* motions to take depositions, and by requests for inspection and production of documents and things.

## Reasons Why the Petition Should be Denied

The decision of the Court of Appeals for the Third Circuit involves the scope of discovery in a patent interference proceeding. There are no special and important reasons why it should be reviewed by this court. It is not in conflict with the decisions of any other Court of Appeals. To the contrary, the decision of the court below has been followed by the first Court of Appeals to subsequently consider the issue. See *Sheehan* v. *Doyle et al.* (1st Cir. March 31, 1975), set forth as an Addendum hereto at page A-1. Further, the decision sought to be reviewed concludes no case on the merits; nor does it touch the public interest. Moreover, the decision is correct in concluding that the scope of discovery under 35 U.S.C. § 24 does not permit the broad base discovery accorded by the Federal Rules of Civil Procedure.

Contrary to the assertions made by Petitioner, the decision below does not in any way constitute an abandonment of the statutory ancillary jurisdiction conferred upon the district courts; nor does it violate the doctrine of *stare decises.*

## I.

## The Decision Below Does Not Conflict With The Decisions Of Any Other Court Of Appeals.

The basic ground asserted by Petitioner for granting its Petition is that the Court of Appeals below, in reversing its earlier holding in *In Re Natta,* 388 F.2d 215 (3d Cir. 1968), placed itself in direct conflict with every other court of appeals that has considered 35 U.S.C. § 24 and the question of discovery jurisdiction of the district courts in patent interference cases. In support of this assertion, Petitioner quotes from the dissent of Judge Adams in the decision below (page 8 of the Petition). Judge Adams, in turn, mentions decisions of the Court of Appeals for the Second, Fifth, Seventh and Tenth Circuits as having interpreted the intent of Congress, as expressed in 35 U.S.C. § 24, in conformance with the overruled decision in *Natta.* Two of these decisions *Gladrow* v. *Weisz,* 354 F.2d 464 (5th Cir. 1965) and *Natta* v. *Zletz,* 379 F.2d 615 (7th Cir. 1967) preceded *Natta* and two, *Natta* v. *Hogan,* 392 F.2d 686 (10th Cir. 1968) and *Babcock & Wilcox Co.* v. *Combustion Engineering, Inc.,* 314 F.Supp. 235 (D. Conn. 1968), *aff'd per curiam,* 430 F.2d 1177 (2d Cir. 1968), were rendered subsequent to *Natta.*

An analysis of each Court of Appeals decision, however, clearly shows that there is, in fact, no conflict with the decision below overruling *Natta* and that none of these cases ever raised the same issue as involved in the decision below or in *Natta.*

***In Re Natta*, 388 F.2d 215 (3d Cir. 1968).**

The precise issue involved in both the decision below and in *Natta* is the same as the question presented for this Court's review.

In *Natta*, the discovery ordered in the district court under 35 U.S.C. § 24 was argued to be in error on the grounds that it was improper to apply the "scope of discovery standards contained in the Federal Rules of Civil Procedure rather than the admissibility standards governing interference proceedings found in the Patent Office rules" (388 F.2d at 217). As a basis for this argument, the history of 35 U.S.C. § 24 was analyzed and it was contended that by the language of 35 U.S.C. § 24, Congress intended district court discovery in patent interference cases to be limited to the issuance and enforcement of subpoenas in preparing evidence for use in the interference, the practice which had prevailed prior to 35 U.S.C. § 24. Specifically, it was urged that discovery permitted by Rule 45(b) of the Federal Rules of Civil Procedure was all that was intended and not broad scope discovery as available generally under the Rules and as could be obtained under Rule 34, the rule used in seeking discovery in *Natta* and under which inadmissibility in the interference was not a ground for objection. The Court of Appeals for the Third Circuit in responding to this specific issue decided in *Natta* that:

> "This statute manifests a clear congressional intent to make available to parties to patent interferences the broad discovery provisions of the Federal Rules of Civil Procedure." (388 F.2d at 217)
>
> • • •
>
> "[The] argument that the rules governing the admissibility of evidence in Patent Office interference proceedings control and, therefore, the discovery standards of the Federal Rules of Civil Procedure should not have been applied below cannot be accepted. The fact that evidence obtained . . . as a result of

the District Court's order may not be admissible in the proceedings pending before the Patent Office does not vitiate [the party's] right to obtain it." (388 F.2d at 219)

***Gladrow* v. *Weisz*, 354 F.2d 464 (5th Cir. 1965).**

In *Gladrow*, the parties to the interference in the Patent and Trademark Office* were at the stage where cross-examination of the senior party was being taken and the junior party was attempting to obtain specific documents. For this purpose, the junior party moved in the district court under 35 U.S.C. § 24 and Rule 34 of the Federal Rules of Civil Procedure. The court in responding to the argument that Section 24 made no important change in the procedure authorized by the previous practice under Section 54 stated:

> "That much may be conceded arguendo. . . . The present order does not extend beyond that authorization." (354 F.2d at 467-8)

Also, in responding to the argument that the use of Rule 34 of the Federal Rules of Civil Procedure was improper and that discovery should have been sought by subpoena under Rule 45, the court stated:

> "It would be making a fetish of formalistic procedure to reverse the present judgment [permitting discovery under Rule 34] but hold that production of the documents could be required under a subpoena duces tecum [Rule 45]." (354 F.2d at 468)

Thus, it is clear that the discovery sought in *Gladrow*, although under Rule 34, was no broader in scope than could have been obtained under Rule 45 and as permitted by the decision of the court below.

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* Hereinafter called the Patent Office.

***Natta* v. *Zletz*, 379 F.2d 615 (7th Cir. 1967).**

In this case, the Patent Office interference had reached the rebuttal stage at the time discovery was sought in the district court. The documents desired were for use in the examination on rebuttal. The district court denied the request for discovery and the only issue on appeal to the Seventh Circuit was whether or not the discovery could be obtained without the Patent Office having first specifically set a special testimony period in which to receive the evidence sought to be obtained in the district court. There was no issue as to the scope of discovery permitted under 35 U.S.C. § 24 and the case is certainly not contrary to or in conflict with the specific holding of the Court of Appeals for the Third Circuit in the decision below.

The absence of any conflict in the *Gladrow* and *Zletz* cases is recognized in the decision below where Judge Weis, speaking for the majority, stated:

> "The earlier cases of *Gladrow* v. *Weisz*, 354 F.2d 464 (5th Cir. 1965),[4] *Natta* v. *Zletz*, 379 F.2d 615 (7th Cir. 1967),[5] and *Korman* v. *Shull*, 184 F.Supp. 928 (W.D. Mich. 1960),[6] all involved instances where testimony was being prepared and subpoenas either had or could have been issued to compel production of documents. None of those cases actually involved pretrial discovery as that term is understood in the usual civil litigation." (A-21-22 of Petitioner's Appendix with footnotes omitted)

Further, Judge Seitz in the dissent in *Natta*, after analyzing these same cases, stated:

> "I think, contrary to the majority, that even the language quoted by the majority from Gladrow v. Weisz, 354 F. 2d 464 (5th Cir. 1965) shows that the court was talking about the use of the Federal Rules solely in connection with production for use in making the record for the Interference proceedings. The court

said that Rule 34 could be used to obtain documents required for examination or cross-examination of a witness. I agree. But this is not to say that such production is not to be tested by evidentiary standards. In my view the Gladrow case reached the result which I think is dictated here. I do not read Natta v. Zletz, 379 F.2d 615 (7th Cir. 1967) to the contrary. Indeed, had the district court determined here that the production was to be measured by evidentiary rather than discovery standards I would have no quarrel with its interpretation of the statute." (388 F.2d at 223)

Subsequent to *Natta* and prior to the decision below, both the Court of Appeals for the Tenth Circuit (March of 1968) and the Court of Appeals for the Second Circuit (November of 1968) were involved in discovery cases where discovery was sought under 35 U.S.C. § 24. As with the Court of Appeals cases preceding *Natta*, however, the issues raised on appeal were not the same as involved in *Natta*.

***Natta* v. *Hogan*, 392 F.2d 686 (10th Cir. 1968).**

In this case, discovery was again sought under Rule 34 of the Federal Rules of Civil Procedure. Discovery was objected to on the grounds that it should have been sought under Rule 45. It was argued that 35 U.S.C. § 24 "contemplates initiation of discovery proceedings only by the issuance of a subpoena" (392 F.2d at 690). The court in declining to accept this argument stated:

"The contention that jurisdiction is not obtained until a subpoena is issued and that only then may a Rule 34 motion be presented *glorifies form over substance. Such formalistic procedure performs no useful purpose.*[6] We see no reason for the issuance of a subpoena to an unneeded witness when the desired documents

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"[6] See *Gladrow* v. *Weisz*, 5 Cir. 354 F.2d 464, 468, and *Hickman* v. *Taylor*, 329 U.S. 495, 505-506, 67 S.Ct. 385, 91 L.Ed. 451."

> 24 gives to parties in Patent Office proceedings the may be obtainable through the use of Rule 34. Section right to secure documents in accordance with the provisions of the federal civil rules. The power of the federal courts to enforce that right is not dependent on any particular formalism of procedure." (Emphasis added) (392 F.2d at 690)

• • •

Thus, on its facts, *Hogan* was limited to discovery commensurate with that permitted by the Court of Appeals for the Third Circuit in the holding below. Certainly, there is no holding in *Hogan* which is in direct conflict with the decision below.

***Babcock & Wilcox Co.* v. *Combustion Engineering, Inc.*, 314 F.Supp. 235 (D. Conn. 1968), *aff'd per curiam*, 430 F.2d 1177 (2d Cir. 1968).**

Here, the Court of Appeals for the Second Circuit *affirmed per curiam* the decision of the District Court of Connecticut permitting the taking of discovery under 35 U.S.C. § 24 by means of subpoena *duces tecum* and by motion for the production of documents under Rule 34 of the Federal Rules of Civil Procedure. Although Section 24 and Rule 34 were involved, the district court was presented with the sole question as to *when* discovery may be taken and not any issue as to the substantive scope of discovery. The parties in the Patent Office interference had commenced the taking of testimony and discovery in the district court was sought by the junior party. In objecting to this discovery, the senior party asked the court:

> ". . . to foreclose discovery until after the junior party completes its initial presentation because to do otherwise would 'strip the senior party of the procedural advantages accorded him by virtue of his earlier filing date.' " (314 F.Supp. at 237)

In declining to accept this argument the district court concluded:

> "Moreover, the broad mandate of the statute manifests an explicit congressional intent to allow both parties to a patent interference to apply for discovery at any time during the contested proceeding." (214 F.Supp. at 237)

In this case, the only interpretation of the intent of Congress, as expressed by 35 U.S.C. § 24, made by the district court was in regard to the single issue of the timing of discovery. Since this is not the holding of the Court of Appeals of the Third Circuit in the decision below, there is no conflict with that holding.

**_Sheehan_ v. _Doyle_, 1st Cir. March 31, 1975 Addendum hereto at A 1.**

The only other Court of Appeals which has specifically considered this same question as involved in the decision below is the Court of Appeals for the First Circuit in the *Sheehan* case. In this case, the court not only considered precisely the same issue but adopted the arguments and analysis respecting 35 U.S.C. § 24 as made both by Judge Seitz in the dissent in the *Natta* case and as set forth in the decision below overruling *Natta*. Further, the Court of Appeals for the First Circuit makes it clear that the controlling factor is not what particular rule is used (Rule 45(b) or Rule 34) but how such rule is applied in obtaining discovery.

> ". . . section 24 does not confer jurisdiction upon the district court, *acting on its own,* to grant Rule 34 discovery *directly,* . . ." (Emphasis added) (A 5 of the Addendum hereto)

* * *

> *"Our decision does not have the effect of precluding broad-based Federal Rules discovery in patent inter-*

> *ferences to the extent permitted by the Commissioner,* whose rules presently allow such discovery 'if justice so requires' . . . . Judicial subpoenas that may appropriately aid in any such authorized discovery, as well as to obtain testimony and evidence for use in the proceeding in progress, remain available. *Our decision merely precludes use of federal courts as alternative forums of first resort rather than as forums acting strictly in aid of the primary proceeding."* (Emphasis added) (A 7 of the Addendum hereto)

Under Rule 19 of the Rules of the Supreme Court, review of a Court of Appeals decision on writ of certiorari may be had where the Court of Appeals decision is in conflict with the decision of another Court of Appeals on the same matter. However, as stated in the *Address by The Honorable John M. Harlan on October 28, 1958,* 13 Record of N.Y.C.B.A. 541 (1958):

> "Moreover, differences between the Courts of Appeals in two or more circuits will not be accepted as a conflict if they can fairly be accounted for on the basis of variations in the factual situations among the cases involved." (13 Record of N.Y.C.B.A. at 552)

From the analysis of the decisions of the Courts of Appeals involving 35 U.S.C. § 24, it is evident that the decision below creates no such direct conflict requiring or suggesting the desirability of review by this Court.

## II.

## The Decision Below Is Not Conclusive On The Merits; Nor Does It Touch The Public Interest.

Apart from the fact that the decision of the Third Circuit below is not in conflict with the decision of any other Court of Appeals and therefore does not meet one of the standards used to determine whether this Court should grant

certiorari (Rule 19 of the Rules of the Supreme Court), there are no other special and important reasons why the decision should be reviewed by this Court.

To put the subject matter in perspective, it must be said that the problem involves only discovery or one of the steps on the path to resolution of the whole controversy. No controversy was decided on the merits by the decision below. No rights and privileges were fixed. No one can say, assuming that certiorari is granted, how many more matters will be pursued under Section 24 before the main controversy is in condition for decision.

Furthermore, what has been decided by the Third Circuit below and is sought to be reviewed by this Court is not a matter involving the great public interest whatsoever. An interference is a special Patent Office procedure designed solely for purposes of determining who, among a number of applicants, is the first inventor. In this context, the case below involved only a matter of discovery procedures.

## III.

## The Decision Of The Court Of Appeals *En Banc* Properly Limited The Scope Of Discovery Authorized By The District Court Pursuant To 35 U.S.C. § 24.

In concluding that production under 35 U.S.C. § 24 must be measured by evidentiary rather than discovery standards, the Court of Appeals for the Third Circuit (seven out of nine Judges thereof) was influenced by certain important factors that always existed as well as those that followed from the *Natta* decision. These factors are the following:

1. The main forum for an interference proceeding is the Patent Office. An interference is a proceeding authorized by 35 U.S.C. § 135 solely to determine which of two or more applicants is entitled to a patent.

2. The trial record in an interference proceeding consists of testimony taken pursuant to the Rules of Practice of the Patent Office by way of deposition, affidavits, and stipulations, as well as documents and other exhibits relevant to the issue of priority of invention.

3. Interference proceedings are conducted pursuant to a regimen and timetable fixed by the Patent Office to bring the priority evidence into focus.

4. This regimen and timetable allocates specific periods when the parties are permitted to elicit direct evidence, rebuttal evidence, and impeaching evidence.

5. In 1968, the Third Circuit handed down the *Natta* decision which contained the gratuitous statement that Section 24 manifested a congressional intent to make the broad discovery provisions of the Federal Rules of Civil Procedure applicable to patent interferences (388 F.2d at 217).

6. As a consequence of the *Natta* decision, applications in the district courts for production pursuant to Section 24 were made independently of the limited procedures fixed by the Patent Office in interference cases. This imposed a burden on the district courts to deal with a limited phase of a proceeding over which it had no general control.

7. Consequently, the function of the district courts changed from one ancillary to the Patent Office proceedings to that of the forum actually controlling the progress of the interference.

8. As a further consequence, proceedings in the Patent Office had to be stayed while discovery in the district courts ran its course without reference to the trial procedure set by the Patent Office.

9. Matters of discovery which are interlocutory in nature in normal civil litigation were final in the district court

and, therefore, appealable. The courts of appeals then became involved in the same limited phase of the interference which had been brought to the district court.

10. Despite the scope of discovery permitted by the district courts under Section 24 proceedings, certain of the discovered subject matter was not received by the Patent Office, it being determined to be non-evidentiary on the issues in the interference.

11. As a consequence of the uncertainty growing out of the *Natta* decision, the Patent Office promulgated its own rules for discovery in interference cases in 1971 (see Patent Office Rule 287, 37 CFR § 1.287 promulgated under the authority of 35 U.S.C. §§ 6 and 23).

12. Broad discovery is not foreclosed forever from a party to a patent interference. 35 U.S.C. § 146, for example, provides for an appeal to the district court from a ruling of the Patent Office and such proceeding carries with it the full scope of discovery accorded by the Federal Rules.

13. A historical reanalysis of 35 U.S.C. § 24 confirms the conclusion reached by Judge Seitz in his *Natta* dissent; i.e., that Section 24 does not include the authority to use the Federal Rules of Civil Procedure to obtain the production of documents which are not admissible in evidence or needed to examine witnesses.

These factors as well as previous authorities on the subject were fully evaluated by the Third Circuit in reaching its conclusion. There is no way that respondents can improve on the Third Circuit's effort. Respondents rely on it and its propriety as a reason why the intervention of this Court is unnecessary. We also rely on Judge Seitz's dissenting opinion in the *Natta* decision (388 F.2d beginning at 221).

We have mentioned above in this brief that the Court of Appeals for the First Circuit has, since the filing of the Petition here, handed down a decision following the decision below. *Sheehan* v. *Doyle, supra.* We add the *Sheehan* decision as confirmation of the lack of need for intervention by this Court.

## IV.

## The Decision Of The Court Below Does Not Constitute An Abandonment Of Jurisdiction Under 35 U.S.C. § 24.

This argument of the Petitioner that the Third Circuit abandoned jurisdiction depends upon the assumption that jurisdiction under Section 24 is properly exercised only by according broad discovery in interferences. The court below took this argument into consideration and disposed of it as follows:

> "The question is, did Congress in fact grant the jurisdiction which *Natta* thought to exist or did that conclusion come about only by erroneous construction and interpretation [of Section 24]. We conclude that the latter is true." (Appendix to Petition at A-26.)

The court did not abandon jurisdiction. It exercised it. But it properly limited that jurisdiction to the subject matter that is conferred by Section 24.

## V.

## The Decision Of The Court Below Does Not Violate The Rule Of *Stare Decisis.*

In considering the precedent of *Natta,* the Court below said the following:

> "We do not lightly overturn precedent, and *stare decisis* must be treated with respect. But when on

> deep and mature reconsideration it becomes apparent that an error has been made by the court, the proper step is correction. This is particularly so in a matter of procedure where no substantive rights are vested as a result of the earlier decision." (Appendix to Petition at A-26, A-27)

Judge Adams himself, contrary to his expressions in support of *stare decisis* in his dissent below, has noted occasions when precedent gives way. As he said in *In Re Central Railroad Company of New Jersey,* 485 F.2d 208 (3d Cir. 1973), *cert. den.,* 414 U.S. 1131 (1974):

> ". . . it has long been the rule in this Circuit that decisions made in similar cases by panels of this Court are binding on other panels but are not controlling on the Court En Banc. Indeed, it is *only* through the Court En Banc that precedents established by earlier panel decisions may be reexamined." (Footnotes omitted) (485 F.2d at 210-11)

The Supreme Court finds from time to time that precedent must give way to reason as witness some recent examples in patent related matters such as *Lear Inc.* v. *Adkins,* 395 U.S. 653 (1969) and *Blonder-Tongue* v. *University Foundation,* 402 U.S. 313 (1971).

Surely the rule of *stare decisis* does not require the court sitting *en banc* to adhere to the precedent it believes was erroneously set by a panel of the court. This should be particularly true when the precedent and its reversal do not conclude any controversy on the merits.

## CONCLUSION

**For all of the above reasons, the petition for writ of certiorari should be denied.**

Respectfully submitted,

HARRY C. JONES, III
*Counsel for Respondents*

*Of Counsel:*

James G. Foley

PENNIE & EDMONDS
330 Madison Avenue
New York, New York 10017

Richard A. Craig

AMERACE CORPORATION
245 Park Avenue
New York, New York 10017

# Addendum

**Addendum A—Opinion, Sheehan v. Doyle.**

# United States Court of Appeals

FOR THE FIRST CIRCUIT

No. 74—1318

JOHN C. SHEEHAN,

*Plaintiff-Appellee,*

*v.*

FRANK P. DOYLE, et al.,

*Defendants-Appellants.*

APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

Before COFFIN, *Chief Judge,*
McENTEE and CAMPBELL, *Circuit Judges.*

ALBERT L. JACOBS, JR., with whom JACOBS & JACOBS, P.C., OWEN F. CLARKE, JR., and SULLIVAN & WORCESTER were on brief, for appellants.

THOMAS E. SPATH, with whom N. DALE SAYRE, McLEAN, BOUSTEAD & SAYRE, ROBERT J. HORN, JR., KENWAY and JENNEY were on brief, for appellee.

March 31, 1975

CAMPBELL, *Circuit Judge.* This appeal concerns the authority of the district court for the District of Massa-

chusetts to order discovery in aid of a patent interference proceeding being conducted before the Board of Patent Interferences in Arlington, Virginia.

Doyle (a name used for three nonresident aliens) is engaged in an interference in the United States Patent Office against Sheehan, a Massachusetts resident. *See* 35 U.S.C. § 135. At issue is whether Doyle or Sheehan is the first inventor of processes for the production of penicillin. Doyle has applied for a United States patent, Sheehan already having been granted one covering the same subject matter.

One might suppose that the scope of discovery for use in an interference[1] would be determined by the Patent Office

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[1] An interference—an administrative proceeding in the Patent Office—follows a distinct format. After parties have preliminarily stated their positions, 37 C.F.R. §§ 1.215-1.223, and the period for filing motions has been set, *id.* §§ 1.231-1.244, the Board of Patent Interferences establishes a schedule for the parties' presentation of evidence by means of deposition, affidavit, or stipulation, *id.* § 1.251. The patent applicant who was later in time (the "junior party") is required to produce his evidence first and carries the burden of disproving the order of application. *Id.* § 1.257. Testimony is to be taken before an officer authorized to administer oaths, *id.* § 1.274, and must always be filed in the Patent Office, *id.* § 1.278. If objections are made to the witness or evidence, the evidence shall be taken away and the objection noted by the officer. *Id.* § 1.275 (d). In determining whether to receive or exclude evidence, the Patent Office will "strictly" apply "the established rules of evidence". *Id.* § 1.286.

The discovery provision for interferences, Rule 287, only requires a party to furnish his opponent with lists of things, names of witnesses, and copies of documents "upon which the party intends to rely". *Id.* § 1.287(a). The senior party—Sheehan in this case—need not provide such materials to the junior party until the junior party has completed taking his testimony. There is no discovery of right of matters which might build an affirmative case for the discovering party or which might undercut the opponent's case-in-chief. However, the Board may grant further discovery privileges, within the scope of the Federal Rules of Civil Procedure, at any time during the proceedings "upon a showing that the interest of justice so requires". *Id.* §1.287(c).

or at least coordinated with the administrative proceeding within its jurisdiction; and Congress has in fact conferred statutory authority upon the Commissioner of Patents to "establish rules for taking affidavits and depositions required in cases in the Patent Office", 35 U.S.C. § 23, and the Commissioner has adopted certain rules, *see* note 1 *supra.* But in section 24, Congress has also conferred certain powers upon district courts. Historically section 24 developed to provide for the issuance of subpoenas to compel testimony and evidence required in Patent Office interferences; but a sentence in section 24 inserted by Congress in 1952 has been construed by a number of courts also to allow parties to an interference to obtain at any time broad-based discovery in district courts in separate, self-contained proceedings.[2] *See infra.* Such dis-

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[2] Section 24, 35 U.S.C. § 24, provides in its entirety, "Subpoenas, witnesses".

"The clerk of any United States court for the district wherein testimony is to be taken for use in any contested case in the Patent Office, shall, upon the application of any party thereto, issue a subpoena for any witness residing or being within such district, commanding him to appear and testify before an officer in such district authorized to take depositions and affidavits, at the time and place stated in the subpoena. *The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things shall apply to contested cases in the Patent Office.*

Every witness subpoenaed and in attendance shall be allowed the fees and traveling expenses allowed to witnesses attending the United States district courts.

A judge of a court whose clerk issued a subpoena may enforce obedience to the process or punish disobedience as in other like cases, on proof that a witness, served with such subpoena, neglected or refused to appear or to testify. No witness shall be deemed guilty of contempt for disobeying such subpoena unless his fees and traveling expenses in going to, and returning from, and one day's attendance at the place of examination, are paid or tendered him at the time of the service of the subpoena; nor for refusing to disclose any secret matter except upon appropriate order of the court which issued the subpoena." [Emphasis supplied.]

covery goes on outside the ambit of the Patent Office proceeding and beyond the scope permitted without special approval under its rules.

Citing section 24 and bypassing the Patent Office's procedures, Doyle brought an independent action in the district court for the District of Massachusetts to obtain discovery from Sheehan under the Federal Rules of Civil Procedure. The court issued a subpoena duces tecum against Sheehan and, after hearing Sheehan's objections, refused to quash the subpoena and directed Sheehan to produce the requested records and appear to be deposed. In addition to the discovery of Sheehan, Doyle's counsel was able to obtain from the court subpoenae duces tecum against two organizations, also located in Massachusetts, having an interest in the Sheehan patent. Doyle's goal in these ancillary proceedings has been to discover evidence that an abandoned Sheehan patent application in 1957, while disclosing some processes, did not disclose enough to enable Sheehan to claim first invention to the processes for which Sheehan obtained the disputed patent in 1959 and as to which Doyle has a claim to invention dating from late 1957.

While Doyle's discovery was in progress, Sheehan, also invoking section 24, filed a request under Rule 34, Fed. R. Civ. P.,[3] for the production of documents from Doyle and

[3] Rule 34(a), Fed. R. Civ. P., provides in pertinent part:

"Any party may serve on any other party a request (1) to produce and permit the party making the request, or someone acting on his behalf, to inspect and copy, any designated documents . . . or to inspect and copy, test, or sample any tangible things which constitute or contain matters within the scope of Rule 26(b) and which are in the possession, custody or control of the party upon whom the request is served. . . ."

Rule 26(b) generally allows a party to obtain discovery of "any matter, not privileged, which is relevant to the subject matter involved in the pending action". Rule 26(b) further provides, "It is not ground for objection that the information sought will be inadmissible at the trial if the information sought appears reasonably calculated to lead to the discovery of admissible evidence."

his assignee, Beecham Research Laboratories, Inc. (BRL), a British corporation and the real party in interest. Sheehan sought documents of tests and evaluations, made by BRL and to be introduced in interference testimony, concerning the sufficiency of the Sheehan disclosure in its abandoned 1957 application. After considering arguments for and against compelling discovery from the nonresident aliens, the district court ordered Doyle and BRL to produce those documents sought that were not privileged. From this order Doyle now appeals. Doyle objects to the order on grounds of lack of personal jurisdiction and of proper venue, as he is a nonresident alien with no ties to Massachusetts. We do not reach these arguments because we hold that section 24 does not confer jurisdiction upon the district court, acting on its own, to grant Rule 34 discovery directly, whether against a nonresident alien or a resident citizen.

A threshold question is the appealability of the district court's discovery order. A discovery order is not usually "final"—and hence not immediately appealable—as the litigation in conjunction with which the discovery is sought is still pending in the district court. 28 U.S.C. § 1291. Discovery here, however, is ancillary to the interference in Arlington, Virginia, at the Patent Office, and nothing else was pending at the time in the Massachusetts court. The instant order, therefore, concluded—at least for the moment—the business of the district court. Thus, while the usual policy against piecemeal appellate review dictates otherwise, we must regard the order as final and appealable. *See Natta* v. *Hogan,* 392 F.2d 686, 689 (10th Cir. 1968). (Indeed, Doyle has sought more discovery since this appeal was heard, and the district court's next ruling would likewise be final and appealable.)

The next issue is whether section 24 authorizes the Rule 34 discovery Sheehan seeks. When this appeal was argued,

it was accepted among the circuits that had passed on the matter that section 24 authorized discovery beyond that permitted by the Patent Office, and in particular the production of documents from a party by means of a Rule 34 motion. *See, e.g., Babcock & Wilcox Co.* v. *Combustion Engineering, Inc.*, 430 F.2d 1177 (2d Cir. 1968), *aff'g mem.* 314 F. Supp. 235 (D. Conn. 1968); *In re Natta*, 388 F.2d 215 (3d Cir. 1968); *Natta* v. *Hogan*, 392 F.2d 686 (10th Cir. 1968); *Natta* v. *Zletz*, 379 F.2d 615 (7th Cir. 1967); *Gladrow* v. *Weisz*, 354 F.2d 464 (5th Cir. 1965). However, subsequent to argument the Third Circuit ruled, *en banc*, that section 24 merely confers upon district courts jurisdiction to issue, in aid of the interference, subpoenas as provided in Fed. R. Civ. P. 45(a), (b), (c), (d) (2) & (3), and (f).[4] *Frilette* v. *Kimberlin*, 508 F.2d 205 (3d Cir. 1975) (*en banc*). The practical effect of this ruling is to permit the compelling of testimony and evidence by the district court which is sought at the proper stage of the Patent Office proceeding, and also to allow the issuance of subpoenas in aid of discovery as authorized by the Patent Office but not otherwise. *See* note 1 *supra.*

The Third Circuit's decision was a reversal of its position in *In re Natta, supra*, and a vindication of Judge (now Chief Judge) Seitz's dissenting opinion in the earlier case. 388 F.2d at 221-23. Unlike that circuit, this circuit has never previously passed on the matters.

We believe that the broad reading which courts have given section 24 over recent years goes beyond what Congress could reasonably have had in mind. The unfortunate effect is to generate self-contained discovery proceedings out of joint with the administrative proceeding to which,

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[4] Rule 45(d)(1), Fed. R. Civ. P., authorizes the compelling of discovery within the scope of Rule 26(b), *see* note 3 *supra*, and therefore is inconsistent with the existing Patent Office discovery rules for interferences.

ostensibly, they are linked. The arguments and analysis, which we adopt and need not repeat, are well set forth in Judge Seitz's dissent in *In re Natta* and in *Frilette.* We agree that section 24 is simply a provision giving teeth, through the courts' subpoena powers, to authority conferred upon the Commissioner of Patents. Such a reading is consistent with the fact that section 23 confers general authority upon the Commissioner of Patents to promulgate rules with respect to depositions and affidavits; with the tenor of section 24; and with the absence of evidence that any sweeping substantive change was intended in the 1952 redraft of section 24 which introduced the sentence in question. If Congress had intended to erect a free wheeling discovery vehicle totally outside the control of the Patent Office, one would have expected some inkling in the legislative history.

Our decision does not have the effect of precluding broad-based Federal Rules discovery in patent interferences to the extent permitted by the Commissioner, whose rules presently allow such discovery "if justice so requires". *See* note 1 *supra.* Judicial subpoenas that may appropriately aid in any such authorized discovery, as well as to obtain testimony and evidence for use in the proceeding in progress, remain available. Our decision merely precludes use of federal courts as alternative forums of first resort rather than as forums acting strictly in aid of the primary proceeding.

Sheehan contends that the effect of a decision following the Third Circuit would be to insulate nonresident aliens from ancillary discovery, since a subpoena cannot be served upon them. But ancillary judicial discovery is unnecessary as to parties, since the Commissioner has the power to compel testimony or evidence by the threat of dismissing the application. *See* 37 C.F.R. § 1.259. The Patent Office has no power to compel the attendance of nonparty witnesses or to enforce the production of evidence from them, and this

need was apparently the main reason that Congress conferred ancillary jurisdiction upon federal courts, with their subpoena power and threat of contempt.

It may nevertheless seem unfair in this case to deny Sheehan discovery against Doyle after Doyle has had the advantage of extensive discovery from Sheehan under section 24.[8] However, we are not inclined to impose our notions of fairness on the agency which has been delegated primary authority to control the interference. Moreover, evidence not taken in accordance with the Patent Office rules will not be considered in determining the interference, 37 C.F.R. § 1.271, and in any event a party aggrieved may litigate through *de novo* proceedings in the district court, 35 U.S.C. § 135.

*Reversed. No costs.*

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[8] Even during the junior party's testimony period, the junior party may not plunge into the senior party's direct case by issuing subpoenas to the senior party. Such a course would be contrary to the set order of taking testimony.